

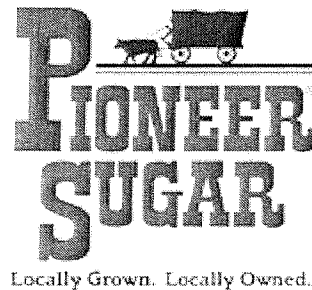


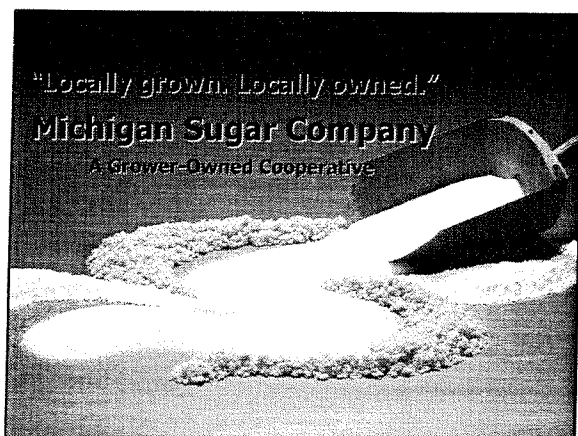
# Michigan Sugar Company

Saginaw, Michigan

Mark Flegenheimer  
President & Chief Executive Officer

Richard E. Leach, Jr.  
Director of Government Relations






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History of Michigan Sugar Co.	History of Monitor Sugar Co.
<ul style="list-style-type: none"> <li>• 1898 - <ul style="list-style-type: none"> <li>- Caro factory built</li> </ul> </li> <li>• 1902 - <ul style="list-style-type: none"> <li>- Carrollton, Crosswell and Sebewaing factories built</li> </ul> </li> <li>• 1906 - <ul style="list-style-type: none"> <li>- Michigan Sugar Co. established with the merger of six independent companies</li> </ul> </li> <li>• 1963 - <ul style="list-style-type: none"> <li>- Plegenheimer Family owned controlling interest in the company</li> </ul> </li> <li>• 1984 - <ul style="list-style-type: none"> <li>- Savannah Foods acquired Michigan Sugar Company</li> </ul> </li> <li>• 1997 - <ul style="list-style-type: none"> <li>- Savannah Foods (including MSC) acquired by Imperial Sugar</li> </ul> </li> <li>• 2001 - <ul style="list-style-type: none"> <li>- Imperial Sugar and all subsidiaries filed Chapter 11 bankruptcy</li> </ul> </li> <li>• 2002 - <ul style="list-style-type: none"> <li>- 1,000 area growers formed cooperative and purchased MSC on February 12</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 1901 - <ul style="list-style-type: none"> <li>- Monitor factory built</li> </ul> </li> <li>• 1917 - <ul style="list-style-type: none"> <li>- Columbia Sugar Company</li> </ul> </li> <li>• 1932 - <ul style="list-style-type: none"> <li>- Monitor Sugar Company, division of Robert Gage Coal Co.</li> </ul> </li> <li>• 1967 - <ul style="list-style-type: none"> <li>- Monitor Sugar owned by Coryell Family</li> </ul> </li> <li>• 1982 - <ul style="list-style-type: none"> <li>- Monitor Sugar owned by Barlow-Rand, Johannesburg, South Africa</li> </ul> </li> <li>• 1999 - <ul style="list-style-type: none"> <li>- Monitor Sugar owned by Illovo Sugar, Durban, South Africa</li> </ul> </li> <li>• 2004 - <ul style="list-style-type: none"> <li>- Monitor Sugar Beet Growers and Michigan Sugar Company acquire Monitor Sugar on October 1</li> </ul> </li> </ul>

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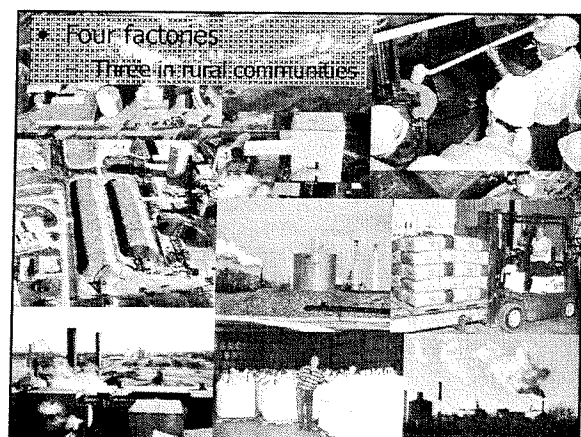
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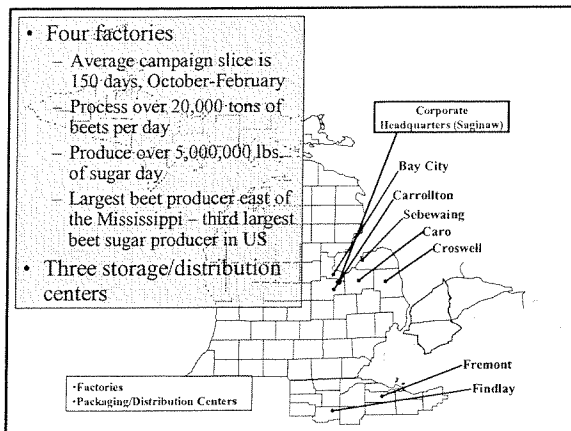
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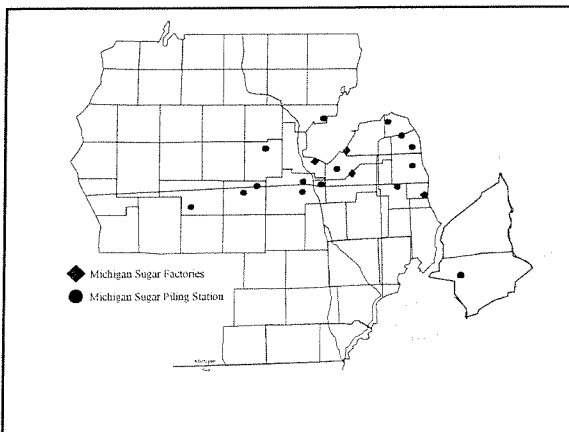
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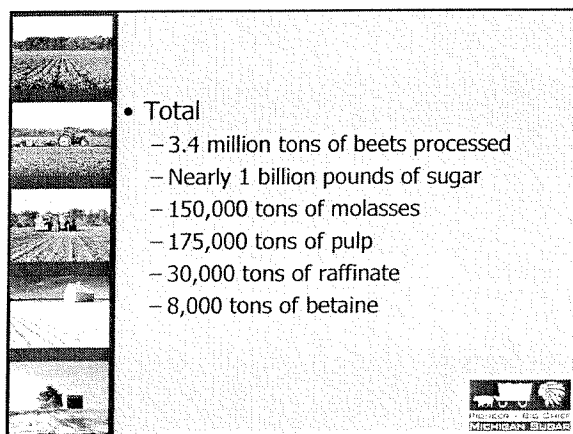
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- **Markets**
  - Sugar
    - 70% industrial – food manufacturers (cereal, cookies, ice cream, etc.)
    - 30% grocery
    - Primarily Michigan, Ohio and Indiana
  - Molasses
    - Yeast manufacturing
    - Animal feed
    - US/Canada
  - Pulp
    - Animal feed
    - US/Canada/Europe




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- **Markets (continued)**
  - Raffinate
    - Animal feed
    - US
  - Betaine
    - Poultry feed
    - MSG production
    - US/Asia




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### Economic Impact

- \$300 million direct economic impact in 21 counties annually
- Nearly \$1 billion economic impact to State of Michigan
- 450 year-round employees
- 1,750 seasonal employees
- 1,300 farm families
- 175,000 acres – rotate every four years with other cash crops




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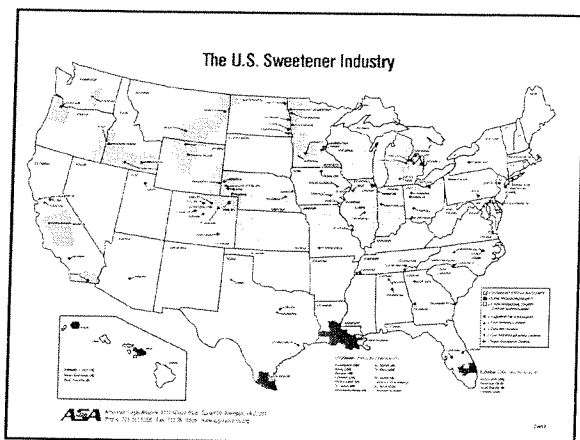
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### Current Federal Legislative Issues

- CAFTA and other FTAs
- Sugar Program
  - No government subsidies
  - Limit imports
    - 1.5 million tons (WTO, NAFTA requirements)
    - 41 countries
    - US is fourth largest
  - Marketing allotments
    - Government restricts sales

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- Over 130 countries produce sugar around the world
- All countries subsidize production
- U.S. beet industry is second most efficient
- U.S. sugar industry can compete in global free trade
  - WTO: Bring down barriers across the board
- U.S. cannot address global sugar issues on bilateral or regional FTAs
- Current FTAs – over 20 countries export 27 million tons of sugar
- FTAs with Central America and others
- Sugar used as a pawn

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- CAFTA not yet voted on by Congress
  - Doubles five countries' access
  - Template for other FTAs
- FTAs which include sugar provision will wipe out our industry
- Actively opposed to passage of CAFTA




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### Current State Legislative Issues

- Right to process
- Increasing pressure from DEQ
- \$5 million State loan




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Thank you for your support




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